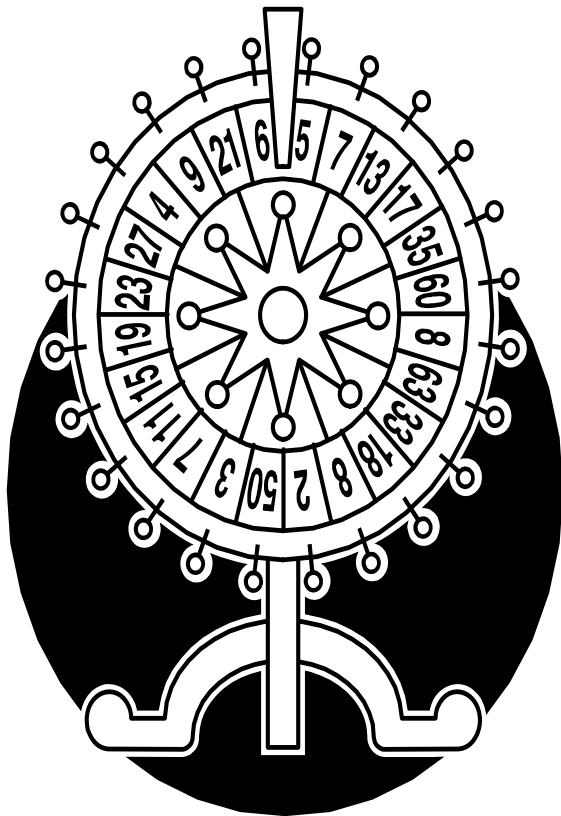


PADDLEWHEELS

This chapter contains information on the conduct of paddlewheels, records, and reports.



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“Meat raffles” are often conducted using a mini-30 paddlewheel. These games must be conducted and reported following the statute and rule requirements for paddlewheel games.

REFERENCES

Minnesota Statutes 349.12
 Minnesota Statutes 349.181
 Minnesota Statutes 349.19
 Minnesota Statutes 349.211
 Minnesota Statutes 349.2127

DEFINITIONS
 RESTRICTIONS ON WHO MAY PARTICIPATE IN LAWFUL GAMBLING
 RECORDS AND REPORTS
 PRIZE LIMITS
 PROHIBITIONS

Minnesota Rules 7861.0210
 Minnesota Rules 7861.0260
 Minnesota Rules 7861.0300
 Minnesota Rules 7861.0320

Definitions
 Conduct of Lawful Gambling
 Paddlewheels
 Organization Operations, Accounts, Reports, and Records

Common Terms

Bar code	<ul style="list-style-type: none">• Bar codes are used by the Department of Revenue to track the distribution, sales, and reporting of paddletickets throughout the state.• It is the manufacturer's responsibility to place a bar code on each paddlewheel master flare.
Master flare	<p>A master flare is the posted display with a bar code imprinted or affixed, used in conjunction with sealed groupings of up to 100 sequentially numbered paddleticket cards. The flare must contain the price per play and the ticket count.</p> <p>Flares for paddlewheel with table games must also include the prizes and odds.</p>
Meat raffle	<p>A paddlewheel game in which the prize is a meat package.</p>
Paddleticket	<p>Paddletickets are used to place a bet on the spin of a paddlewheel.</p>
Paddlewheel	<p>A paddlewheel is a vertical wheel marked off in sections with one or more numbers. When spun, the pointer indicates the winning number.</p>

Items Used in the Conduct of Paddlewheels		
REQUIRED ITEMS		
Item	Use	Where to Obtain
Paddleticket card	A card with detachable paddletickets attached to it.	Purchase from a licensed distributor.
Paddlewheel	A manually operated vertical wheel marked off into sections containing numbers or number/symbol combinations that, after being spun, uses a pointer to indicate the winning number on the wheel.	Purchase from a licensed distributor.
Paddlewheel chip	Required with a paddlewheel table. Each paddlewheel chip: <ol style="list-style-type: none"> 1. must have permanent edge spots which are different in color than the rest of the chip; 2. must be clearly and permanently impressed, engraved, or imprinted (on one or both sides) with your organization's license number and the dollar value of the chip; 3. may not be made of plastic, wood, or paper; 4. may be issued in denominations of \$1, \$2, \$5, and \$25; and 5. must meet color requirements: <ul style="list-style-type: none"> • \$1 white chips • \$2 yellow chips • \$5 red chips • \$25 green chips. 	Purchase from any source
Paddlewheel table	A table with slots in the tabletop used to place bets prior to the spin of the paddlewheel.	Purchase from a licensed distributor.
Video surveillance system	Required with a paddlewheel table. Used to record and monitor game activity when a paddlewheel table is used.	Purchase from any source. Contact a compliance specialist for specifications.

Prizes

Prize limit; prize receipts

The value of a paddleticket prize may not exceed \$70. A prize receipt must be used for prizes valued at \$50 or more.

Types of prizes allowed

Without a table: Prizes for a paddlewheel game without a table may consist of:

1. cash,
2. gift cards or gift certificates, and
3. merchandise, which includes certificates for merchandise or services.

With a table: Prizes for a paddlewheel game with a table may only consist of chips, redeemed for cash, with a maximum cash prize of \$70.

Types of prizes not allowed

- Prizes may not consist of lawful gambling equipment, i.e. pull-tabs, tipboard tickets, paddlewheel tickets, raffle tickets, or bingo paper; and free drinks may not be offered as part of a paddlewheel game.
- Cash may not be substituted for merchandise prizes, certificates for merchandise or services, gift cards, or gift certificates.
- Merchandise prizes or certificates are not allowed for a paddlewheel game conducted with a table.

Merchandise prizes

Donated prize Merchandise prizes may be donated.

Lessor restrictions

For a leased premises:

1. The lessor may donate prizes.
2. An organization may purchase from the lessor a certificate for merchandise or gift card to be redeemed for food or beverages at the premises if:
 - the certificate or card has a redeemable monetary cash value;
 - the certificate or card does not contain restrictions on its redemption, such as requiring a purchase of food or beverage of equal or greater value or redeemable for a specific item;
 - the certificate or card may be redeemed at any time during regular business hours of the permitted premises; and
 - the cost to the organization is 50% or less of the redeemable cash value.

Compliance with prize limits

- To determine compliance with prize limits, merchandise prizes that are donated or purchased at a discount must be valued at their fair market value.
- The fair market value of a merchandise prize must not be an amount less than the purchase price.

Report on G1

For purposes of reporting on the monthly G1:

- donated prizes have no value (not reported), and
- merchandise prizes are reported at the actual cost plus shipping and sales tax.

Prizes (continued)

Certificate for merchandise or services - required information

A certificate for merchandise or certificate for services awarded as a prize must include:

- a complete description, including the value, of the merchandise or services,
- the vendor's name from whom the certificate must be redeemed, and
- a statement expressly prohibiting the substitution of cash or another type of merchandise or services described on the certificate.

Ownership of prizes required; payment

- For paddlewheels consisting of 32 numbers or less, merchandise prizes may be paid for up to 30 days after your organization receives the prize.
- For all other paddlewheel without table games, an organization must pay in full for paddlewheel prizes or otherwise become the owner without lien or interest of others prior to the conduct of the paddlewheel game.
- Purchase merchandise prizes directly from the vendor and pay with a check drawn on the gambling account. Cash from the game may not be used to pay for merchandise prizes.

Conducting a Paddlewheel Game

Information required to be posted at each premises

General information posted The following information must be prominently posted at each premises:

- organization name
- license number and premises permit number
- a statement that illegal gambling is prohibited at the premises
- the problem gambling helpline number (1-800-333-HOPE) at each point of sale
- a clear and legible sign stating the amount of any cash prize and the fair market value of all merchandise prizes to be awarded for each game played without a paddlewheel table

House rules posted The minimum size for the house rules sign is 11" x 17". The house rules must be clearly visible at the point of sale.

The house rules governing the conduct of lawful gambling must include all organization policies that affect the play of the game, including any restrictions in addition to those imposed by Minnesota Statute 349.181 on who may not participate in the conduct of lawful gambling at the premises.

In addition, the following must be included in the house rules:

1. All paddletickets on a card must be sold before the paddlewheel is spun.
2. The paddlewheel must make at least 4 complete revolutions before the pointer stops. If the pointer stops directly on top of a peg, the number preceding the peg is the winning number.
3. For paddlewheels conducted without a table, the winner is not required to be present when the paddlewheel is spun, but must claim the prize by the conclusion of activity for the day.

Name of paid employees Paid gambling employees must clearly display their name when conducting lawful gambling.

Information required to be kept at each premises



An organization must keep the following at each premises:

- a current site inventory record which lists each set of paddletickets kept on the premises
- a copy of the distributor's invoice for each set of paddletickets in play and for each unplayed set of paddletickets stored on the premises.

Inventory Records
LG847 Current Site Inventory List

Copy of distributor's invoice

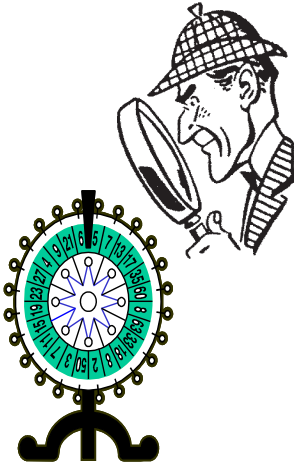
A clear physical separation or divider must be maintained between an organization's gambling equipment, another organization's gambling equipment, and the lessor's business equipment.

<h2 style="text-align: center;">Who May and May Not Participate in Lawful Gambling</h2> <p style="text-align: center;">(Minnesota Statute 349.181)</p> <p style="text-align: right;">3/11</p>			
	Pull-tabs, tipboards, and paddlewheels	Bingo	Raffles
Gambling manager (at organization's permitted premises)	No	No	No
Organization and lessor employees and volunteers	<p>No. They may play only if they are not involved with the conduct of these games¹ at the premises where they work.</p> <p>This restriction is in effect until six weeks after the employee or volunteer is no longer involved in the conduct of pull-tabs, tipboards, and paddlewheels at that premises.</p> <ul style="list-style-type: none"> - Posting of winners is not required. - Bingo employees may not play these games while conducting bingo. 	<p>No. They may play bingo only if they are not involved with the conduct of any lawful gambling^{1, 2} during a bingo occasion at the premises where they work.</p> 	Yes
Lessor (at lessor's premises)	No	No	No
Lessor's immediate family (spouse, child, parent, brother, sister, at lessor's premises)	No	They may play bingo only if they are not involved with the conduct of bingo ² during a bingo occasion.	Yes
Age restrictions	<ul style="list-style-type: none"> • Must be 18 and older to conduct these games • Must be 18 and older to play these games 	<ul style="list-style-type: none"> • Must be 18 and older to conduct bingo • Must be 18 and older to play bingo. <p>EXCEPTIONS: A person under 18 may play bingo:</p> <ul style="list-style-type: none"> - conducted by an exempt or excluded organization, or - conducted by an organization as part of an annual community event, if accompanied by a parent or guardian. 	<ul style="list-style-type: none"> • Must be 18 and older to buy a raffle ticket • Must be 18 and older to win a raffle prize. • Under 18 may sell raffle tickets.
<p>¹Conduct pull-tabs, tipboards, and paddlewheels includes:</p> <ul style="list-style-type: none"> • selling tickets, • redeeming tickets, • auditing games, • making deposits, • spinning the paddlewheel, and • conducting inventory. 		<p>²Conduct of bingo includes:</p> <ul style="list-style-type: none"> • selling bingo hard cards, bingo paper sheets, or facsimiles of bingo paper sheets, • completing bingo occasion records, • selecting or announcing bingo numbers, • making deposits, and • conducting inventory. 	

Conducting a Paddlewheel Game Without a Table

Check the wheel

The paddlewheel must be in working order and in balance before play may begin.



The following procedures should be used to check paddlewheels.

1. Check each peg and the pointer for uneven wear and replace any worn peg or worn pointer before the wheel may be used.
2. Check the balance of the paddlewheel by:
 - inspecting the back of the paddlewheel and removing any foreign object that may affect the paddlewheel's balance;
 - positioning the pointer so it does not interfere with the spin of the paddlewheel; and
 - slowly rotate the paddlewheel 45 to 90 degrees at a time in one direction. The paddlewheel operator must determine whether there is any abnormality in the rotation or any reverse rotation after the paddlewheel stops. The wheel must continue to be rotated until the entire wheel has been evaluated by this method in both directions.

If the paddlewheel is out of balance, it must be balanced before conducting a paddlewheel game.

Starting cash banks and drawers

A starting cash bank is gambling money placed in the cash drawer prior to the beginning of the game, and is used to make change and pay cash prizes awarded.

Putting a game into play

Before a game is put into play

Each flare must be checked for the following:

- the game matches the invoice, and
- the serial number on the bar code matches the serial number printed on the first paddleticket card.

The organization may not change the flare.

Game transfer not allowed

Games in play may not be transferred to another permitted premises.

Business hours

Paddlewheel tickets may only be sold and winning tickets redeemed at times when the premises is open for the conduct of its regular business. The hours that an organization will conduct gambling within the business hours of the site are determined by the organization.

Conducting a Paddlewheel Game Without a Table (continued)

Selling the tickets

All tickets sold - All the paddletickets on a paddleticket card must be sold before the spinning of the paddlewheel. Each ticket must be sold for the same price.

Cash only - Only cash, traveler's checks, money orders, or cashier checks may be accepted for the purchase of a paddlewheel ticket.

Checks, debit cards, and credit cards are not allowed. Credit may not be extended to a player.

Maximum ticket price for each ticket is \$2.

Age restrictions - Only persons 18 and over may participate as a paddlewheel player.

Display prizes - If merchandise is offered as prizes, the merchandise must be displayed in full view of the players in the immediate vicinity of the game.

Spinning the wheel

The paddlewheel may only be spun by the paddlewheel operator. A player may not spin the paddlewheel.

The paddlewheel must make at least 4 complete revolutions before the pointer stops. If 4 complete revolutions are not made, the spin is void and the paddlewheel must be spun again. If the pointer stops directly on top of a peg, the number preceding the peg is the winning number.

Multiple spins of the paddlewheel to award multiple prizes for one paddleticket card is not allowed.

Selling tickets from more than one paddleticket card per spin is not allowed.

Awarding prizes; defacing winning tickets

The LG830 Merchandise Prize Perpetual Inventory is used to record merchandise prizes awarded. Separate LG830 forms may be used.

Upon awarding the prize, the seller must deface and keep the redeemed winning ticket. All winning paddletickets must be defaced. The most common method is to staple the ticket to the paddleticket card.

Conducting a Paddlewheel Game Without a Table (continued)

Closing the occasion

When closing the occasion, the seller must:

- place a cover over the paddlewheel or otherwise make it inoperable,
- count the cash in the game drawer,
- separate the starting cash bank amount from the game proceeds, and
- enter on the LG847 Current Site Inventory (column 7) the date the game was closed.

All games in play closed at month end

At the end of the month all partially played groupings of paddleticket cards must be closed. Report played paddleticket groupings with any unsold paddletickets on the Schedule B2.

The barcode label must be sent with your tax return when the sealed group of tickets is removed from play and reported. A sealed group of tickets is considered one game and one entry on the Schedule B2.

Deposit information (for paddlewheel games with and without a table)

First National Bank Deposit slip	
Date <u>8/6/12</u>	
<u>99999-001</u>	
<i>Paddlewheel</i>	
<u>80601-80610</u>	<u>\$300</u>
<u>80611-80615</u>	<u>\$150</u>
TOTAL	<u>\$450</u>

Deposit and record cash in hand, or secure the cash until it can be deposited. Deposit the gambling receipts into the gambling account within 4 business days of the occasion.

Do not wait until the entire grouping of paddletickets has been sold to deposit the cash.

On the deposit slip, list the following information:

1. premises permit number
2. date of the deposit
3. paddleticket card numbers sold during that day's activity
4. actual amount of cash deposited from each day's paddlewheel activity.

If **merchandise prizes** are awarded, the deposit amount should equal the gross receipts (total amount wagered).

If **cash prizes** are awarded, the deposit amount should equal the net receipts (amount wagered minus the cash amount paid out in prizes).

Auditing a paddlewheel game

The final audit of the game must be done by someone other than the paddlewheel operator, the person who prepared the deposit, or the person who deposited the gambling receipts. Sellers may be asked to make a preliminary audit of their own games, but they may not do the final audit.

Fund loss

If a fund loss is discovered, notify local law enforcement within 5 days of discovering the loss, otherwise the Gambling Control Board will not consider the fund loss. Refer to the Internal Operations and Oversight chapter, Fund Loss section.

If played or unplayed games are lost due to a disaster such as fire, flood, blizzard, tornado, or other catastrophic event, immediately contact the Department of Revenue at 651-297-1772 for instructions on how to handle the fund loss.

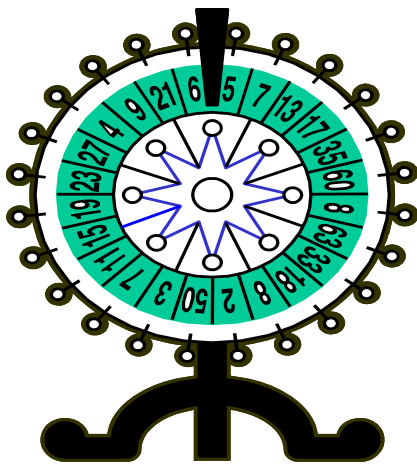
Conducting a Paddlewheel Game With a Table

Special training required

Before conducting a paddlewheel game with a paddlewheel table, an organization's gambling manager must attend a board-authorized class on the conduct of paddlewheels with a paddlewheel table. Thereafter, a replacement gambling manager must attend the class within 60 days of the effective date of the new gambling manager's license.

To schedule the required training contact your compliance specialist at the Gambling Control Board.

Number of paddlewheel tables limited at premises



- No more than 2 paddlewheel tables may be located at a permitted premises.
- If there are 2 paddlewheel tables at a site, each table and its paddlewheel drop box must bear a paddlewheel table identification number that distinguishes it from the other table and its drop box.
- Each paddlewheel and paddlewheel table must also have a state registration stamp affixed to it by the distributor.

Paddlewheel Table - Video Surveillance System

A video surveillance system is required when conducting a paddlewheel game with a paddlewheel table.

The video surveillance system must meet the following specifications:

1. be capable of simultaneously filming the paddlewheel table rail to rail and a small picture of the wheel pointer and number within a big picture of the paddlewheel table (PIP - picture in picture);
2. must record activity in real time. No time lapse is allowed.
3. must not have an audio recorder;
4. recording must display the date and time of activity. If two real time recorders in sequence are used that exceed the recording capability of one tape, ensure that the separate recordings overlap;
5. must allow for immediate verification of the value of chips, placement and payment of bets, the pointer, the winning number on the paddlewheel, and drop box slot; and
6. show the identification number of the paddlewheel table when an organization conducts more than one paddlewheel table

Specific information regarding the video surveillance system is provided at the special training class conducted by the Gambling Control Board.

Conducting a Paddlewheel Game With a Table (continued)

Video recording of initial operation must be submitted

Within 14 days of the initial operation of a paddlewheel table, an organization must send a video recording of at least one day's activity to the Board.

The Board will review the recording to verify that your organization is complying with rule requirements. If the Board determines the recording does not meet rule requirements, the organization will be advised to make corrections before resuming paddlewheel activity.

Surveillance system access and operation

Only a gambling manager, shift manager or an independent person* may:

- start and stop the video surveillance system from the time a table is open for the day to the closing of the table. The system may be pre-programmed to start and stop at set times;
- access an organization's video surveillance system and recordings. Keep the system locked and inaccessible to the paddlewheel table operator; and
- change a videotape in the video surveillance system at the beginning, during, or at the end of a day's paddlewheel activity.

*An independent person does not include the paddlewheel cashier or operator, and if the premises is leased does not include the lessor, lessor's immediate family, or lessor's employees.

Maintain surveillance system properly or close game

If the video surveillance system at a paddlewheel table is not operating properly and providing a clear, unobstructed view of the table and wheel, the paddlewheel table must be closed.

Weekly review

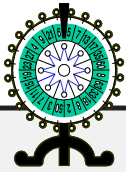
On a weekly basis, an independent person must review at a minimum one day's activity per table. An independent person does not include the paddlewheel cashier or operator, and if the premises is leased does not include the lessor, lessor's immediate family, or lessor's employees.

A log must be kept showing who conducted the review and when it was conducted.

Video recordings kept for 30 days

The recordings must be kept in a safe and secure storage place for 30 days.

The recordings may not be accessible to the paddlewheel table operator.



Conducting a Paddlewheel Game With a Table (continued)

General information

For information regarding prizes, information required at the premises, and general requirements and restrictions, refer to those sections contained earlier in this chapter.

Information posted

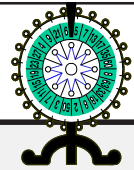
In addition to the house rule and general information requirements outlined earlier in this chapter, the following information must be posted:

1. The cash denominations at which paddlewheel chips are sold and redeemed.
2. A player must first purchase paddlewheel chips from the paddlewheel operator.
3. Chips must be safeguarded. A chip dropped into a table betting slot must be retrieved by authorized organization employees.
4. A player must purchase with chips only as many paddletickets as the player desires to bet on the immediate next spin of the paddlewheel.
5. A player is assigned a unique identification number that the player must write on the back of purchased paddletickets.
6. The player places a bet by inserting a paddleticket in a selected betting slot on the paddlewheel table. Jammed tickets are void.
7. A player may not touch a paddleticket after the paddlewheel operator announces "bets closed" and until the operator announces "place bets."
8. All paddletickets on a card must be sold before the paddlewheel is spun.
9. The paddlewheel must make at least 4 complete revolutions before the pointer stops. If the pointer stops directly on top of a peg, the number preceding the peg is the winning number.
10. A winning "odd" or "even" bet is determined by a winning number of only the designated colored circle. However, a player loses all "odd" and "even" bets if the pointer stops on a specially designated "house number."
(This house rule is only required if an "odd" or "even" bet is accepted.)
11. A prize payout is made in chips that must be redeemed through the cashier.
12. A player must be present to win.

The following may be included in the house rules but are not required.

- Bets are not valid if they exceed one or more of these limits:
 - \$50 in aggregate for a spin
 - \$10 on a single number
 - \$25 for a line bet
 - \$25 on either "odd" or "even"
- Maximum prize payout is \$70 cash per winning paddlewheel ticket.

Conducting a Paddlewheel Game With a Table (continued)



Check equipment before starting play

Wheel

1. Check each peg and the pointer for uneven wear and replace any worn peg or worn pointer before the wheel may be used.
2. Check the balance of the paddlewheel by:
 - inspecting the back of the paddle wheel and removing any foreign object that may affect the paddlewheel's balance;
 - positioning the pointer so it does not interfere with the spin of the paddlewheel; and
 - slowly rotate the paddlewheel 45 to 90 degrees at a time in one direction.

The paddlewheel operator must determine whether there is any abnormality in the rotation or any reverse rotation after the paddlewheel stops. The wheel must continue to be rotated until the entire wheel has been evaluated by this method in both directions. If the paddlewheel is out of balance, the paddlewheel must be balanced before conducting paddlewheels.

Table

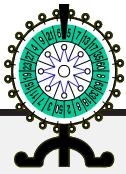
3. Unlatch the slotted top and remove any chips, tickets or foreign objects that may have fallen through the slots.
4. Place the paddlewheel chip tray on the table.
5. Slide the drop box into the table and lock it. Check to see that the lock on the drop box is operable, otherwise the paddlewheel may not be operated.
6. Check the money plunger and the table chip tray to ensure that they are not cracked or broken, otherwise they must be replaced.

Chips

7. Check each chip to make sure that the organization's license number and the dollar value of the chip is clearly and permanently impressed, engraved, or imprinted on the chip. Worn, cracked, or broken chips may not be used and must be replaced. Chips must not be made of plastic, wood, or paper.

Cameras

8. If the video surveillance system is not operating properly, the paddlewheel table must be closed.



Conducting a Paddlewheel Game With a Table (continued)

Before the start of activity - required procedures

Refer to the LG750 Paddlewheel with Table - Daily Report Instructions, included in this section, for instructions on "Before the start of activity."

Sale of chips and paddletickets

Purchase on premises at paddlewheel table - To be valid for a spin, all paddletickets must be sold on the permitted premises immediately before a spin. The player must purchase paddlewheel chips and paddletickets from the paddlewheel operator at the paddlewheel table.

Maximum ticket price for each ticket is \$2. Each paddleticket on the paddleticket must be sold for the same price and be a separate and equal chance to win with all other paddletickets sold for the spin.

Age restriction - Only persons 18 and over may participate as a paddlewheel player.

Player unique ID number - When a player first purchases paddlewheel chips, the operator must give the player a card containing an unique ID number. The player must return the card to the operator when the player stops playing.

Selling chips (cash only) - Only cash may be accepted for the purchase of chips. Traveler's checks, money orders, and cashier checks are acceptable. Checks, debit cards, and credit cards are not allowed. Credit may not be extended to a player.

Selling paddletickets - Paddletickets must be purchased only with chips, except that paddletickets for the immediate next spin may be purchased directly with cash in an amount equal to the value of the tickets.

Receiving currency - Upon receiving cash from a player for the purchase of chips or tickets, the paddlewheel operator must:

- spread each bill of currency face down and flat, in sequence of denomination, in the inner table area perpendicular to the chip tray, and momentarily move the operator's hand away from the currency so the currency is within the camera's view;
- spread the chips or purchased paddletickets out on the playing surface, and momentarily move the operator's hand away from the chips or paddletickets so that the chips or paddletickets are within the camera's view;
- restack the chips and push them to the player; and
- place the currency in the drop box after giving the player the chips or paddletickets.

Sell all tickets or give refund - If all the tickets on a card cannot be sold, refund the cost of the paddletickets to the players. The returned tickets must be defaced and kept with records for 3-1/2 years.

Conducting a Paddlewheel Game With a Table (continued)



Drop box

After play has begun, a money plunger must remain in the drop box slot while the drop box is attached to the table. The paddlewheel operator must remove the plunger when coin, currency, or forms are being inserted into the drop box.

The paddlewheel operator must place all cash received for chips or paddletickets into the drop box.

The contents of the drop box may only be accessed by the two-person count team.

Bet limits

A player may not place a bet that exceeds one or more of the following limits:

- \$50 in aggregate for a spin of the paddlewheel
- \$10 on a single number
- \$25 for a line bet
- \$25 on either "odd" or "even"

A bet is void if it exceeds one or more of these limits. Paddletickets used to make the excess portion of the bet must be treated as losing tickets.

Placing bets

Using ID number - Each player must write the player's assigned identification number on the back of the player's paddletickets before placing the tickets in a betting slot on the table.

Bet on immediate next spin - A player must bet all of the player's purchased paddletickets on the immediate next spin.

If a player purchases a paddleticket and does not bet the ticket on the immediate next spin, the ticket is not valid and may not be wagered on any other spin. The player must give the ticket back to the paddlewheel operator who must treat it as a losing ticket.

To place a bet, a player must place the purchased paddleticket in a betting slot on the table. If a player forces the ticket all the way through the slot into the cavity of the table, the paddleticket is not valid and must be treated as a losing ticket.

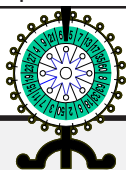
Assisting players - The operator may assist a player with a disability if the operator first verbally announces to all players at the table that assistance is being given.

Closing bets

The operator shall announce "*bets closed*" when the operator has determined:

- no other player desires to purchase a paddleticket for the immediate next spin;
- there is no partially sold paddleticket card; and
- the players have bet all their tickets.

After "*bets closed*" is announced, players may not place a bet, change a bet, touch any ticket, or place their hands on top of the table.



Conducting a Paddlewheel Game With a Table (continued)

Spinning the wheel

The paddlewheel may only be spun by the paddlewheel operator. A player may not spin the paddlewheel.

The paddlewheel must make at least 4 complete revolutions before the pointer stops. If 4 complete revolutions are not made, the spin is void and the paddlewheel must be spun again. If the pointer stops directly on top of a peg, the number preceding the peg is the winning number.

Multiple spins of the paddlewheel to award multiple prizes for one paddleticket card is not allowed.

Numbering and recording each spin

Each spin for each day of activity must be sequentially numbered by the paddlewheel operator beginning with "one" for the first spin of the day, progressing until activity for the day is completed.

The spin number must be written with a nonerasable marker either on:

- the face of the first paddleticket card stub for which tickets have been sold for a particular spin, or
- the back of the last stub from which tickets have been sold for a particular spin.

All spin numbers must be recorded in the same location on the stub. When the sale of tickets for a particular spin continues into a new sealed grouping of paddleticket cards, the spin number must also be written on the face of the first stub of the new group of tickets.

The paddlewheel operator must also initial each paddleticket card stub using a nonerasable marker when recording the spin number.

After each spin the paddlewheel operator must record with a nonerasable marker the winning number or numbers on:

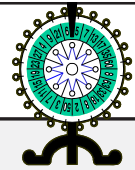
- (a) the face of the stub with the lowest serial number of the cards related to that spin, **or**
- (b) the back of the stub with the highest serial number of the cards related to that spin.

Continuing play with new group of paddletickets

Check master flare - The operator may not continue selling tickets for any particular spin into a new group of paddleticket cards unless the master flare for the new group contains the same prize payout as the master flare associated with the previous group.

Post the master flare of the new group for which the sale of tickets is continuing and the finished group from which tickets were sold for the same spin until the end of the spin. Then remove the old master flare.

Conducting a Paddlewheel Game With a Table (continued)



Awarding the prize

The prize payout must be a predetermined variable multiple of the amount wagered, must be made in chips, and must not exceed the following ratios:

<u>RATIO</u>	<u>BET</u>
40 to 1 ...	single number in the outer concentric circle
20 to 1 ...	single number in the middle concentric circle
10 to 1 ...	single number in the inner concentric circle
5 to 1 ...	line
2 to 1 ...	"odd" or "even"

When redeeming a winning ticket and awarding a prize, your paddlewheel operator must:

- remove all losing tickets from the slots on the table, and in view of the players tear them in half and discard the torn tickets in a container that is not easily accessible by a player;
- remove and pay off the winning tickets, if any, slot by slot. Your operator must:
 - circle or record, in ink, the winning number or set of numbers on the face or on the back of the winning ticket;
 - pay off the winning ticket in chips to the player who has the card containing the unique ID number written on the back of the ticket; and
 - record the prize amount in ink on the face or on the back of the winning ticket;
- deface and keep any redeemed winning ticket. The most common method is to staple the ticket to the paddleticket card; and
- complete a prize receipt form for each winning paddleticket redeemed with a value of \$50 or more.

Redeeming chips at cashier

Cash bank - Chips may be redeemed only through a chip and cash bank cashier.

- The cash bank must be kept separate from all other cash.
- Chips must be redeemed for the same value for which they were sold.
- The chips must be kept separate and apart from the chip bank until after the records are completed for the accounting period during which the chips were redeemed.

Tipping

Only paddlewheel chips may be used to tip the paddlewheel operator. The operator must redeem the actual chips received as tips through the chip and cash bank cashier and may not exchange those chips for other chips from any chip tray.

Conducting a Paddlewheel Game With a Table (continued)



Closing a paddlewheel game to players

When closing the game, the paddlewheel operator must:

- tell players that chips must be redeemed through the paddlewheel chip and cash bank cashier,
- collect all identification cards from the players,
- cover the wheel or make the wheel inoperable, and
- remove and secure the drop box, but the paddlewheel operator may not open the drop box.

Keys to drop box - During the activity for a paddlewheel table, the key to at least one lock securing the drop box contents must be maintained and controlled by an employee or volunteer of the organization who is not the paddlewheel operator or the chip and cash bank cashier. The organization is responsible for the safeguarding and secure storage of the paddleticket cards and chips.

LG751 maintained by operator

Throughout the game's activity, each paddlewheel operator must maintain a separate LG751 Paddlewheel with Table - Daily Sales Report.

The figures from the LG751 are transferred to:

- the LG750 Paddlewheel with Table Daily Report (summary section), and
- the LG752 Paddlewheel with Table - Operator's Percent of Hold by another person other than the paddlewheel operator.

Deposit information

See Deposit information in the "Conducting a Paddlewheel Game - without a table" section in this chapter.

Closing the game

For "Closing the Game - Required Procedures" refer to the LG750 Paddlewheel with Table - Daily Report Instructions, included in this section.

All games in play closed at month end

At the end of the month all partially played groupings of paddleticket cards must be closed. Report played paddleticket groupings with any unsold paddletickets on the Schedule B2.

The barcode label must be sent with the tax return when the sealed group of tickets is removed from play and reported. A sealed group of tickets is considered one game and one entry on the Schedule B2.

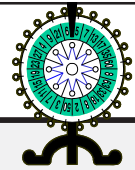
Auditing a game

The final audit of the game must be done by someone other than the paddlewheel operator, cashier, or the person who prepared the deposit.

Fund loss

See Fund Loss information in the "Conducting a Paddlewheel Game - Without a Table" section in this chapter.

Conducting a Paddlewheel Game With a Table (continued)



Preventing employee theft

Monitoring paddlewheel with a table activity and the profit percentage is a valuable tool in detecting--and preventing--possible employee theft.

Payout percentages

When an organization purchases paddletickets, distributors provide a payout percentage sheet. The payout percentage sheet will help an organization determine whether or not it is losing money on paddlewheel games conducted with a table.

Use the LG752 - To monitor each operator's percent of hold, use the LG752 Paddlewheel with Table - Operator's Percent of Hold.

- Use one sheet for each operator per site.
- The sheet may not be completed by the paddlewheel table operator.
- To determine the operator's percent of hold, divide the net receipts by gross receipts for each activity date and record it on that operator's LG752.

Review payout percentages - The percentages will give an indication if there's a problem. If the percentages are higher than the figure provided with the game, the seller might:

- not be tearing up a losing ticket, marking it as a winner, and redeeming the chip with the tips;
- be spinning the wheel until a winner is determined by the spin. Only one spin of at least 4 revolutions per play is allowed;
- be paying a player for a nonwinning ticket; and
- be incorrectly recording the prize payout.

Report suspected theft - If employee theft is suspected in the paddlewheel table operation, immediately contact your compliance specialist at the Gambling Control Board.

Records and Reports

Required forms to use



Complete and keep the following required forms (contained in the Inventory chapter):

- LG844 Perpetual Inventory/Pull-Tabs, Tipboards, and/or Paddletickets
- LG847 Current Site Inventory List
- LG846 Physical Inventory/Pull-Tabs, Tipboards, and/or Paddletickets Monthly Report
- LG830 Merchandise Prize Perpetual Inventory--if using merchandise prizes or merchandise certificates

Maintain a record of all merchandise prizes, including:

- the value of the merchandise prizes purchased
- how many have been awarded as prizes
- the value of prizes still left in inventory
- the paddleticket serial numbers used for games where merchandise prizes are awarded
- (meat) prizes bought and used in the same day
- vendor invoices

When conducting paddlewheel activity with a table, in addition to the above records, complete and keep the following required forms:

- LG750 Paddlewheel with Table - Daily Report (and fill slips)
- LG751 Paddlewheel with Table - Daily Sales Report
- LG752 Paddlewheel with Table - Operator's Percent of Hold

Video surveillance recordings of daily paddlewheel with table activity must be kept in a safe and secure place for at least 30 days. A log must be kept showing the date and name of the person who completed the weekly review.

Report to Revenue

A Schedule B2 must be submitted each month, along with the G1 Lawful Gambling Monthly Tax Return, to the Department of Revenue reporting the receipts from your paddlewheel activity.

Tax forms and instructions are available from the Department of Revenue.

Keep your games and records

Keep the following for at least 3-1/2 years after the month in which paddlewheel games are reported as closed on the Schedule B2:

- master flares
- paddleticket card stubs
- winning paddletickets (must be defaced)
- unsold paddletickets (must be defaced)
- all paddlewheel records

Minnesota Lawful Gambling LG750 Paddlewheel with Table - Daily Report

2/03

Organization _____ License/Permit Number _____

Date ____/____/____ Site Name _____ Table _____

For Drop Box Cash and Fill/Credit Slip information, use a separate LG750 for each table. Include the totals in the Daily Report Summary on the LG750 used to summarize daily activity for all tables (limit 2 tables per site).

STARTING CASH BANK	ENDING CASH BANK
\$100 x _____ = \$ _____	\$100 x _____ = \$ _____
\$ 50 x _____ = \$ _____	\$ 50 x _____ = \$ _____
\$ 20 x _____ = \$ _____	\$ 20 x _____ = \$ _____
\$ 10 x _____ = \$ _____	\$ 10 x _____ = \$ _____
\$ 5 x _____ = \$ _____	\$ 5 x _____ = \$ _____
\$ 1 x _____ = \$ _____	\$ 1 x _____ = \$ _____
Starting cash \$ _____	Ending cash \$ _____
Cashier _____	Cashier _____
Verified by _____ (may not be wheel operator)	Verified by _____ (may not be wheel operator)

TABLE DROP BOX CASH

\$100 x _____ = \$ _____

\$ 50 x _____ = \$ _____

\$ 20 x _____ = \$ _____

\$ 10 x _____ = \$ _____

\$ 5 x _____ = \$ _____

\$ 1 x _____ = \$ _____

TOTAL \$ _____

Drop box must be opened and cash counted in the presence of 2 persons.
Counted by _____

Verified by _____
(may not be wheel operator or cashier)

CHIP BANK INVENTORY (CASHIER)

OPENING			CLOSING		
	Quantity	Value		Quantity	Value
\$25 (green)		\$	\$25		\$
\$ 5 (red)		\$	\$ 5		\$
\$ 1 (white)		\$	\$ 1		\$
TOTAL		\$	TOTAL		\$
Cashier _____			Cashier _____		
Verified by _____ (may not be wheel operator)			Verified by _____ (may not be wheel operator)		

TABLE FILL AND CREDIT SLIPS

Fill number	Fill Amount
Total fills	\$
Minus credit amount	\$
Credit number _____	
Value of chips awarded	\$

CHIP VARIANCE

Closing \$ _____

Minus starting \$ _____

Chip variance \$ _____

DAILY REPORT SUMMARY

Adjusted Net Receipts	Cash Profit/Loss	Cash Long/Short
1. Enter amount from all LG751's column 8 \$ _____	4. Ending cash bank \$ _____	9. Cash profit/loss (from line 8) \$ _____
2. Chip variance (Add negative variance; subtract positive variance) \$ _____	5. Add drop box cash \$ _____	10. Minus adjusted net receipts (from line 3) \$ _____
3. Adjusted net receipts \$ _____	6. Subtotal \$ _____	11. Cash long/short \$ _____
	7. Minus starting cash bank \$ _____	
	8. Cash profit/loss \$ _____	

Summary completed by _____	Audit completed by (may not be cashier or operator) _____
_____ (Signature in ink)	_____ (Signature in ink)
_____ (Date)	_____ (Date)

Deposit prepared by: _____ **Deposit amount \$** _____

LG750 Paddlewheel with Table Daily Report: Instructions

Before the start of activity

Starting cash bank

The cashier, who may not be the paddlewheel table operator:

- counts the start-up cash bank for the paddlewheel table activity
- records the amount in the Starting Cash Bank section, and
- signs the LG750.

A third person, who may not be the paddlewheel table operator, counts the start-up cash and signs on the "verified by" line in the Starting Cash Bank section. This may be done prior to the cashier's count. For example, the gambling manager may count and record the information before the cashier does a count.

Chip bank inventory

A third person who is not the paddlewheel table operator or cashier:

- counts the chip bank inventory,
- completes the opening Chip Bank Inventory section, and
- signs on the "verified by" line.

This may be done prior to the cashier's count.

The cashier counts the chip bank inventory and signs the LG750.

Chips may not be transferred from one table to another.

Table fill and credit slips

Whenever chips are distributed to a paddlewheel table from the chip bank the paddlewheel chip and cash bank cashier must prepare a fill slip.

The fill slip must be at least a two-part carbonless form with the following information:

1. date and time
2. denomination of chips
3. quantity and total dollar value, by denomination, of chips
4. total dollar value of chips
5. table identification number, if more than one table

<input type="checkbox"/> Fill White-cashier Yellow-drop box	MARK X IN BOX <input type="checkbox"/> Credit White-drop box Yellow-cashier
Table # _____	
Date _____	
Time _____	
Denom. Number Amt.	
_____ X _____ = _____	
_____ X _____ = _____	
_____ X _____ = _____	
_____ X _____ = _____	
TOTAL	\$ _____
Signatures	
Operator _____	
Cashier _____	
56021	

- The paddlewheel table operator completes a fill slip and gives it to the cashier.
- The cashier counts out the requested chips, signs the fill slip, keeps the white copy, and gives the chips and the yellow copy to the paddlewheel table operator.
- The paddlewheel table operator recounts the chips and then signs and inserts the yellow copy into the paddlewheel table drop box.

When additional chips are needed at the paddlewheel table, the paddlewheel table operator must complete a fill slip following the above steps.

LG750 Paddlewheel with Table ***Daily Report: Instructions*** (continued)

Closing the game

Returning chips to chip bank; credit slips

The paddlewheel table operator:

- ___ counts the chips,
- ___ completes and signs a credit slip for all chips being returned from the table to the cashier,
- ___ inserts the white copy of the credit slip into the paddlewheel table drop box, and
- ___ returns the chips to the cashier with the yellow copy of the credit slip.

The cashier:

- ___ counts and verifies the returned chips to the amount listed on the fill slip,
- ___ signs the yellow copy of the credit slip kept with the LG750, and
- ___ puts the returned chips into the cashier's chip bank inventory.

Chip bank inventory

After the paddlewheel operator has returned the chips to the cashier, the cashier:

- ___ counts the chip bank inventory;
- ___ records the amount in the closing Chip Bank Inventory section of the LG750;
- ___ completes the Chip Variance section of the LG750; and
- ___ signs the LG750.

A third person, who is not the paddlewheel table operator, verifies the chip bank inventory and signs the LG750.

Ending cash bank

The cashier counts the ending cash bank, records the amount in the Ending Cash Bank section, and signs the LG750.

A third person, who is not the paddlewheel table operator, verifies the ending cash bank and signs the LG750.

Table drop box cash

At the end of the activity, the paddlewheel table operator must remove the unopened drop box and lock it in a secure place, such as a safe.

Two organization employees must:

- ___ open the table drop box,
- ___ count the cash and complete the Table Drop Box Cash section of the LG750
- ___ complete the Table Fill and Credit Slips section of the LG750, and
- ___ sign the LG750.

The paddlewheel table operator and the chip and cash bank cashier may not count the cash together, however, one of them may count the cash. A third person must count and verify the cash count.

Daily report summary and deposit

A third person completes the Daily Report Summary on the LG750. The summary is used to compare the adjusted net receipts to the actual cash on hand to determine if there is a cash long or short.

The actual amount of cash from the occasion is the amount deposited into the gambling bank account within 4 business days.

SITE INSPECTION

The following pages contain the site inspection check lists used by Gambling Control Board staff for reviewing paddlewheel operations to determine if an organization is complying with statutes and rules.

The check list should be used as an internal check of your paddlewheel operations.



LG855 Paddlewheel (Without Paddlewheel Table) Inspection Check List

Organization name	Premises name and location	License & premises permit number
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Inspected by	Date ___/___/___	Time _____ a.m./p.m.
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Any items checked "no" indicate possible violation of Minnesota gambling statutes or rules.

Yes	No	Information Posted/Available	Yes	No	Employees and Players (continued)	
		1. The house rules sign is adequately lighted, legible, prominently posted, at least 11" x 17" and includes ___organization name, license and premises permit number ___problem gambling helpline number ___statement that illegal gambling is prohibited. ___policies governing conduct, including any restrictions in addition to those imposed by Minn. Stat. 349.181 on who may not participate in lawful gambling at the site. [7861.0260, Subp. 2] ___all paddletickets on a card must be sold before paddlewheel is spun ___a paddlewheel must make at least 4 complete revolutions before the pointer stops. If the pointer stops on top of a peg, the number preceding the peg is the winning number ___winner is not required to be present when the paddlewheel is spun ___winner must claim the prize by the conclusion of the day's activity [7861.0300, Subp. 3A]			10. Gambling manager does not directly or indirectly participate as a player. [349.181, Subd. 2]	
					Equipment	
					11. Gambling equipment is secured and kept separate from gambling equipment owned by other persons or organizations. [349.18, Subd. 1a(b)]	
					12. The paddlewheel has a registration stamp affixed to it. #_____ [349.162, Subd. 1 & Subd. 4(b)]	
					13. The paddlewheel is covered or disabled when not in use. [349.18, Subd. 1a(c)]	
		2. The following is posted ___master flare for game [7861.0300, Subp. 3B] ___a sign stating the amount of any cash prize and the fair market value of all merchandise prizes to be awarded for each game [7861.0300, Subp. 3C]			Conduct	
					14. Each ticket is sold for the same price and has a separate and equal chance to win as all other paddletickets with the same paddleticket card number. [7861.0300, Subp. 4(1)]	
					15. A person is not required to purchase more than one paddleticket or pay for anything other than the ticket. [7861.0300, Subp. 4A(2)]	
					16. All paddletickets sold for a spin must have the same paddleticket card number. [7861.0300, Subp. 4A(3)]	
					17. All paddletickets on a paddleticket card are sold prior to the spinning of the wheel. [7861.0300, Subp. 1F]	
		3. Copies of invoices for all paddletickets and paddlewheels at the premises are available for review. [349.18, Subd. 1a(a)]			18. The wheel makes at least 4 complete revolutions, or a nonspin is declared and the wheel is spun again. [7861.0300, Subp. 1G]	
					19. A prize is awarded only to the player who redeemed the winning paddleticket. [7861.0300, Subp. 1I]	
		4. A current site inventory list of gambling equipment is kept at the premises. [7861.0260, Subp. 1C(1)]			20. Checks are not accepted. [349.2127, Subd. 7]	
					21. Credit play is not allowed. [7861.0260, Subp. 1B]	
		Employees and Players 5. Compensated employees publicly display their name when working. [349.168, Subd. 2]			22. Gambling is only conducted when the premises is open for the conduct of its regular business. [7861.0260, Subp. 1F] Regular hours _____	
						6. Persons under 18 do not participate as a player in a paddlewheel game. [349.181, Subd. 1(a)(1)]
		7. Gambling employees or volunteers involved in the conduct of paddlewheels, pull-tabs, and tipboards do not directly or indirectly purchase paddletickets at this premises. [349.181, Subd.3]	Comments:			
						8. The lessor does not participate directly or indirectly as a player in lawful gambling on the premises. [349.181, Subd. 4]

Organization representative/employee: I certify that I received a copy of this report on behalf of the organization.

Signature _____ Date _____ Print name _____

The information on this form was used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities and will become public information.

LG856 Paddlewheel With Table Inspection Check List

Organization name	Premises name and location	License & premises permit number
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Inspected by	Date ___/___/___	Time _____ a.m./p.m.
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Any items checked "no" indicate possible violation of Minnesota gambling statutes or rules.

Yes	No	Information Posted/Available	Yes	No	Information Posted/Available (continued)	
		1. The house rules sign, at least 11" x 17", is adequately lighted, legible, prominently posted at point of sale, and includes: ___ organization name, license and premises permit number ___ problem gambling helpline number ___ statement that illegal gambling is prohibited ___ policies governing conduct, including any restrictions in addition to those imposed by Minn. Stat. 349.181 on who may not participate in lawful gambling at the site [7861.0260, Subp. 2] ___ all paddletickets on a card must be sold before the paddlewheel is spun ___ a paddlewheel must make at least 4 complete revolutions before the pointer stops. If the pointer stops on top of a peg, the number preceding the peg is the winning number [7861.0300, Subp. 5A]			3. Copies of invoices for all paddletickets, paddlewheels, and tables at the premises are available. [349.18, Subd. 1a(a)] 4. A current site inventory list of gambling equipment is kept at the premises. [7861.0260, Subp. 1C(1)]	
		2. The following is posted: ___ the master flare for the paddlewheel game; ___ cash denominations at which paddlewheel chips are sold and redeemed; ___ a player must first purchase paddlewheel chips from the paddlewheel operator; ___ chips must be safeguarded. A chip dropped into the table betting slot must be retrieved by authorized organization employees; ___ player must purchase with chips only as many paddletickets as the player desires to bet on the immediate next spin of the paddlewheel; ___ a player is assigned a unique identification number that the player must write on the back of purchased paddletickets; ___ a player places a bet by inserting a paddleticket in a selected betting slot on the paddlewheel table. Jammed tickets are void; ___ a player may not touch a paddleticket after the paddlewheel operator announces "bets closed" and until the operator announces "place bets"; ___ a winning "odd" or "even" bet is determined by a winning number of only the designated colored circle. However, a player loses all "odd" and "even" bets if the pointer stops on a specifically designated "house number" (posted only if "odd" or "even" bet is accepted); ___ a prize payout is made in chips that must be redeemed through the cashier; and ___ a player must be present to win. [7861.0300, Subp. 5B to L]	Yes	No	Employees and Players	
						5. Compensated employees publicly display their name when working. [349.168, Subd. 2]
						6. Persons under 18 do not participate as a player in paddlewheel games. [349.181, Subd. 1(a)(1)]
						7. Gambling employees or volunteers involved in the conduct of paddlewheels, pull-tabs, and tipboards do not directly or indirectly purchase paddletickets at this premises. [349.181, Subd. 3]
						8. The lessor does not participate directly or indirectly as a player in lawful gambling on the premises. [349.181, Subd. 4]
						9. Members of the lessor's immediate family do not participate directly or indirectly as players in a paddlewheel game at the premises. [349.181, Subd. 5]
						10. Gambling manager does not directly or indirectly participate as a player. [349.181, Subd. 2]
				Yes	No	Equipment
						11. Gambling equipment is secured and kept separate from gambling equipment owned by other persons or organizations. [349.18, Subd. 1a(b)]
						12. The paddlewheel and table each have a state registration stamp affixed to them. Wheel _____ Table _____ [349.162, Subd. 1]
					13. No more than two paddlewheel tables are at a premises. [7861.0300, Subp. 6B]	
					14. The paddlewheel is covered or disabled when not in use. [349.18, Subd. 1a(c)]	

(continued on next page)

LG856 Paddlewheel With Table Inspection Check List

License and premises permit number		
Yes	No	Conduct
		15. Each ticket is sold for the same price and has a separate and equal chance to win as all other paddletickets sold for that spin. [7861.0300, Subp. 6D(2)]
		16. All paddletickets on a paddleticket card are sold prior to the spinning of the wheel. [7861.0300, Subp. 1F]
		17. The wheel makes at least 4 complete revolutions, or a nonspin is declared and the wheel is spun again. [7861.0300, Subp. 1G]
		18. Players are betting all purchased tickets on the immediate next spin. [7861.0300, Subp. 6F(2)]
		19. Tickets pushed all the way into the table are treated as losing tickets. [7861.0300, Subp. 6F(3)]
		20. Only cash prizes are awarded, and are awarded and redeemed through the use of chips. [7861.0260, Subp. 4D(5)]
		21. Checks are not accepted for the purchase of paddletickets. [349.2127, Subd. 7]
		22. No credit play is allowed. [7861.0260, Subp. 1B]
		23. Separate prize receipts are filled out completely and correctly. [7861.0260, Subp. 5]
		24. Gambling is only conducted when the premises is open for the conduct of its regular business. [7861.0260, Subp. 1F] Regular hours _____

Comments:

Organization representative/employee:

I certify that I received a copy of this report on behalf of the organization.

Signature _____ Date _____ Print Name _____

The information on this form was used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities and will become public information.

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